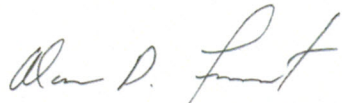




MEMORANDUM

DATE: September 10, 2012

TO: Honorable Mayor
And Council Members


FROM: Alan Forrest
Director, Tucson Water

SUBJECT: Board of Supervisors Agenda Item Regarding Tucson Water Service Area Policy

Tomorrow, the Pima County Board of Supervisors have scheduled an item on their Agenda to discuss the City's Water Service Area Policy. Of particular concern to Pima County are the properties near Camino Verde and Drexel owned by Mr. Tony Marrs (Camino Verde Village and Camino Verde III) which have been denied water service from Tucson Water because they are not in the City's water service area.

Nine proposed refinements to City of Tucson Water Service Area Policy were approved on December 7, 2011 by the Citizens Water Advisory Committee and are attached for reference. These refinements have not been brought forward for Mayor and Council consideration due to the continuing discussions relating to Painted Hills. Two of the refinements address modifications to the water service area policy that would result in water service solutions to the Marrs subdivisions.

Refinement #2 changes the threshold from gross to net twenty acreage of property. Net acreage is defined as gross acreage minus any deductions that are required by jurisdictions. Under this change Camino Verde III subdivision would be eligible for water service.

Refinement #9 encourages the use of wheeling agreements to secure water service and to further expand the use of renewable supplies in the region. In the southwest area, a wheeling agreement with the Metropolitan Water Improvement District could be used to serve water to the Camino Verde Village subdivision. Staff of Tucson Water and the District have met and mutually agreed on joint water service area boundaries for such future wheeling arrangements. Moving forward, any new District boundaries will need to be adopted by the District's governing body, the District and Mr. Marrs will coordinate on infrastructure requirements, and any potential wheeling agreement between the District and Tucson Water will be brought before the Mayor and Council for consideration.

TO:
SUBJECT:
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I will be in attendance at tomorrow's Board of Supervisors meeting.

Please feel free to contact me if you have any questions.

Attachment

C: Richard Miranda, City Manager
Liz R. Miller, Deputy City Manager
Andrew Quigley, Assistant City Manager
Kelly Gottschalk, Assistant City Manager/Chief Financial Officer

DRAFT LIST OF RECOMMENDATIONS
Proposed Refinements to City of Tucson Water Service Area Policy
Approved by CWAC; 7 Dec 11

1. Streamline the Pre-Annexation and Development Agreement (PADA) process running it parallel to water service review. The typical duration for a master and design water plan to navigate the review process is three months and performing this review up to the point of final approval while the PADA process takes place saves the owner/developer significant time. This enables the owner/developer to have an approved water plan immediately after PADA approval by Mayor and Council as opposed to waiting until the PADA approval to initiate plan review efforts. The applicant may submit, for the purposes of review and conditional approval, the water master plan prior to engaging in the PADA process.
2. Clarify that the 20 acre threshold for defining infill relates to net developable land on the property rather than gross acreage of the property. Net acreage is defined as gross acreage minus any deductions that are required by the jurisdiction.
3. Increase the infill size threshold for commercial developments from 20 acres to 50 acres, which relates to the equivalent water demand for a 20 acre residential development. For mixed use developments, the 50 acre criteria will apply if the residential portion of the development is less than 20 acres.
4. Clarify that the infill criteria and economic development exemption are only applied in the yellow (non-expansion) areas, as water service is already assured in pink (expansion) areas through PADA or annexation.
5. Clarify existing grandfather rights when infrastructure investment has already begun. An overall master plan which has substantial infrastructure installed and "finaled" shall be grandfathered for the entire master planned development. Furthermore, any development which has constructed infrastructure to explicitly provide service to a development shall be grandfathered for water service.
6. Retract expansion area in Southeast to instead reflect only the State Land agreement for additional services not the full expansion area depicted, thus decreasing the City's obligation outside City limits in Southeast.
7. Modify the Review Board process so that:
 - The Board reviews both 1) standard appeals for water service and 2) economic development exemption requests.
 - The Board allows presentation of the case in person to the Board by the applicant.
 - The Board considers all relevant and pertinent facts, not just whether Tucson Water followed the existing policy and decides whether to grant the appeal or economic development exemption requests.
 - The applicant may appeal the Board's decision to the full Mayor and Council.
8. Clarify that the criteria that will be applied in reviewing appeals for the economic development exemption will mirror the criteria in the City's Primary Jobs Incentive Program.
9. Continue to pursue wheeling agreements in the southwest (with Metro) and southeast (with Vail Water) to provide options for customers in those areas to secure water service, and to further expand the use of renewable supplies in the region.